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**General Assembly**
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**29th meeting**

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**2019 session**
**2nd meeting**

**Summary record of the joint meeting of the Second Committee and the Economic and Social Council**
Held at Headquarters, New York, on Friday, 14 September 2018, at 10.30 a.m.

*Co-Chair*: Ms. Louis (Vice-Chair, Second Committee) ..... (Saint Lucia)
*Co-Chair*: Mr. Hilale (Vice-President, Economic and Social Council) ..... (Morocco)

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Discussion on the issues to be addressed in the thematic chapter of the 2019 and 2020 reports of the Inter-Agency Task Force on Financing for Development

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*In the absence of Mr. Jürgenson (Estonia), Ms. Louis (Saint Lucia), Vice-Chair of the Second Committee, took the Chair.*

*In the absence of Ms. King (Saint Vincent and the Grenadines), Mr. Hilale (Morocco), Vice-President of the Economic and Social Council, took the Chair.*

*The meeting was called to order at 10.35 a.m.*

**Discussion on the issues to be addressed in the thematic chapter of the 2019 and 2020 reports of the Inter-Agency Task Force on Financing for Development**

1. **Mr. Hilale** (Morocco), Co-Chair, said that the current meeting was being held pursuant to paragraph 11 of General Assembly resolution 72/208, entitled "Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development". The objective of the meeting was to provide information and discuss the issues to be addressed in the thematic chapter of the 2019 and 2020 reports of the Inter-Agency Task Force on Financing for Development.

2. The 2018 report of the Inter-Agency Task Force had shown that most types of development financing flows had increased in 2017, underpinned by an upturn in the world economy. However, significant risks and structural impediments remained a challenge to the implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development.

3. Furthermore, according to the 2018 report, developing countries were experiencing significant volatility and uncertainty in financing and trade conditions. While global growth had improved, it had not been evenly distributed and per capita growth remained negative or insignificant in many countries where poverty rates were high. In total, 18 low-income developing countries were judged to have high risk or already be in a state of debt distress.

4. At the same time, multilateralism appeared to be increasingly under threat amid popular sentiment in many countries that the global economic system was not delivering for ordinary people. Greater efforts would therefore be needed to achieve the Sustainable Development Goals and to enact the required policy changes, including with assistance and support from international agencies.

5. Past reports of the Inter-Agency Task Force had served as an excellent basis for the intergovernmentally agreed conclusions and recommendations of the annual forum on financing for development follow-up. Moreover, the fact that both United Nations agencies and entities outside the United Nations system were involved in the preparation of the reports helped to strengthen system-wide coherence.

6. Three years after the adoption of the Sustainable Development Goals, there remained significant challenges to financing the ambitious 2030 Agenda for Sustainable Development and investment needs were considerable. While the Addis Ababa Action Agenda provided a comprehensive financing framework for the Goals, its implementation was still difficult. There was a need to mobilize all sources of finance, including domestic public resources, international development assistance and private sector investment. It was clear that countries needed national frameworks and integrated strategies for financing.

7. He welcomed the proposed theme for the 2019 report: "National financing frameworks for the Sustainable Development Goals", focusing on implementing the Addis Agenda at the national level. The theme was highly relevant to his own country, which had highlighted financing as one of the six lines of action for implementation of the Goals during the presentation of its voluntary national review at the high-level political forum on sustainable development in 2016. Countries could benefit from further guidance on how to develop a strategic and integrated approach to national planning and financing.

8. **Ms. Louis** (Saint Lucia), Co-Chair, said that the Second Committee sought to provide political guidance on the issues that were addressed in the reports of the Inter-Agency Task Force on Financing for Development. In so doing, it was cognizant of the fact that all countries faced unique challenges and circumstances, and that there was no "one-size-fits-all" path to development. Countries needed support to implement development policy and the space to take ownership of their development strategies.

9. It would be important to highlight the linkages between the themes under discussion at the current meeting and the overall objective of successfully implementing the 2030 Agenda and achieving the Sustainable Development Goals. Indeed, every activity undertaken, whether analytical, discursive or operational, needed to be focused on the imperative on advancing sustainable development across its economic, environmental and social pillars.

10. **Mr. Hanif** (Director, Financing for Sustainable Development Office, Department of Economic and Social Affairs), introducing a draft concept note on proposed issues to be addressed in the thematic chapter

of the 2019 and 2020 reports of the Inter-Agency Task Force, said that countries continued to face challenges in mobilizing finance to implement the Sustainable Development Goals. The financing component of national sustainable development strategies needed to be strengthened. Approaches to financing at the country level were addressed in the Addis Ababa Action Agenda but national development efforts needed to be supported by an enabling international economic environment.

11. Interest in the concept of integrated financing for the Goals had grown considerably. For that reason, the proposed thematic chapter for the 2019 report was entitled "National financing frameworks for the Sustainable Development Goals". The chapter, drawing on lessons learned from country experiences and analysis by the Inter-Agency Task Force, would contain general recommendations and policy options to guide the implementation of the Addis Ababa Action Agenda at the national level. Existing support efforts by the international community to help countries to implement sustainable finance strategies would also be mapped. The content of the chapter would be closely linked to the work the Council's forum on financing for development follow-up, the Sustainable Development Goals Investment Fair, the high-level political forum and the High-level Dialogue on Financing for Development.

12. New and emerging technologies were rapidly reshaping economies and societies. "Financing sustainable development in the era of the Fourth Industrial Revolution" was therefore proposed as the topic of the thematic chapter of the 2020 report. Technology had facilitated access to finance for millions of people. However, the digital economy and the implications of new technology, including big data, robotics and blockchain technology, required new thinking on trade, taxation, monetary and fiscal policies and financial regulations. The 2020 report would provide guidance on the rapidly changing finance landscape. Moreover, the high-level political forum would focus on the digital economy.

13. **Mr. Gillsäter** (World Bank Group), welcoming the proposed thematic chapters, said that countries had hitherto paid scant attention to national financing frameworks in their voluntary national review reports. For integrated financing strategies, which were essential, to be effective, the sequencing of the diverse sources of finance must be well coordinated with policy. The design and implementation of such strategies should be explored in depth in the 2019 report. Mapping existing efforts by the international community to support countries in the implementation of their national strategies would also be invaluable.

14. Disruptive technologies were reshaping finance at every level and presented unprecedented opportunities and risks. They could cause more harm than good if not harnessed by policy to ensure that their benefits were available to all. The World Bank Group and the International Monetary Fund would therefore focus on disruption and technologies at their annual meetings in October 2018.

15. **Ms. Carpentier** (United Nations Conference on Trade and Development) welcomed the proposed thematic chapters and said that the question of how to finance the Sustainable Development Goals at the country level was crucial. In that context, there was a need to move from funding to financing. The proposed thematic chapter for the 2019 report could provide guidance in that regard to countries, United Nations country teams and normative bodies. The World Investment Forum, to be held in Geneva in October 2018, would contribute to the advancement of the financing for development agenda. With regard to the proposed thematic chapter for the 2020 report, any examination of the Fourth Industrial Revolution should focus on its impact on developing countries.

16. **Mr. Elkishin** (Egypt), speaking on behalf of the Group of 77 and China, expressed regret that one delegation had blocked consensus on the decision to convene the present meeting in June or July 2018, thereby hindering the implementation of General Assembly resolution 72/208. The Group had originally requested that the Secretary-General submit a report to the seventy-third session of the Assembly on proposed thematic issues to be addressed in future reports of the Inter-Agency Task Force. In a spirit of compromise, the Group had then agreed that the Secretary-General should instead address a joint meeting of the Second Committee and the Council on the matter. The question now arose as to whether the report of the Secretary-General would be submitted before the deadline for the submission of draft resolutions on macroeconomic policy, and whether it would be possible to discuss the report properly during the deliberations of the Second Committee.

17. The thematic chapter of the 2019 report should not place too great an emphasis on domestic resource mobilization at the expense of other pillars of financing for development, particularly international development cooperation and an enabling global environment. Many global challenges, such as increasing protectionism, debt crises and technology gaps, must also be addressed. National financing frameworks should be based on national priorities, needs and development strategies. There was no "one-size-fits-all" approach. The

framework should also take the respective development status of each country into account.

18. Furthermore, the thematic chapter of the 2019 report should not focus on the Sustainable Development Goals under in-depth review at the high-level political forum, especially as the Goals to be reviewed in 2019 were wide-ranging and complex.

19. Greater clarity was needed on the thematic chapter of the 2020 report, in particular what was meant by the Fourth Industrial Revolution, for which there was no agreed definition. Moreover, the Group wished to know how the Inter-Agency Task Force intended to address the impact of new and emerging technologies on development finance.

20. **Mr. Kimmel** (United States of America) said that the decision to hold the present meeting was an unnecessary waste of resources and contested the assertion of the Group of 77 and China that one delegation had been responsible for its postponement. Other delegations, including that of the European Union, had expressed their concerns in that regard. They continued to have the support of the United States on the matter.

21. He welcomed the positive work carried out by the Council's forum on financing for development follow-up and the proposal for the thematic chapter in the 2019 report. The proposal for the thematic chapter of the 2020 report, on the other hand, required careful thought and must be based on evidence rather than pseudoscience. The fact that similar work was already being done by bodies within and outside the United Nations system demonstrated the need to weigh up carefully whether initiatives such as the proposed thematic chapters were beneficial or whether resources could be better used elsewhere.

22. As the largest donor with a significant private-sector presence in many countries, the United States of America was committed to improving financing for development. Although the United Nations had an important role to play, development was ultimately driven by a country's citizens, such as inventors and business people. His Government was dedicated to a country-led, market-driven development policy to unlock private-sector potential and encourage self-reliance. Efforts should be focused on country ownership, the mobilization of domestic and private resources and reform. His country was focusing its official development assistance on boosting the generation of domestic revenues and private-sector investment in partner countries most in need.

23. **Mr. Babajide** (Observer for the European Union) expressed confidence in the work of the Inter-Agency Task Force and said that the proposed subject of the thematic chapter for the 2019 report, including the mapping exercise, was timely. However, the European Union would have welcomed the inclusion of a dedicated chapter, as had been the case in the 2018 report, on the specific Sustainable Development Goals that were coming under review in 2019, such as Goal 13 on climate action. Moreover, his delegation wished to know how the cross-cutting issue of gender equality would be tackled in the 2019 report. Cohesive, nationally owned financing strategies supported by the international community should be at the heart of development efforts. With regard to the proposal for the thematic chapter of the 2020 report, specific work streams should be created and joint technical discussions held on key topics.

24. In the light of General Assembly resolution 72/208, his delegation had been surprised by the proposal to hold a joint meeting in June 2018. It had expected that the meeting, for the sake of efficiency, would be held, as usual, in October 2018.

25. **Mr. Ríos Sánchez** (Mexico), expressing support for the joint meeting, which underscored the important ties between the various bodies involved in implementing the 2030 Agenda, said that the holding of such a meeting during the current session of the General Assembly did not preclude another one from being held during the seventy-third session. It was also important to underscore that the meeting had an overarching mandate to break down silos within the United Nations.

26. His delegation welcomed the highly dynamic themes proposed for the 2019 and 2020 reports of the Inter-Agency Task Force, in particular "financing sustainable development in the era of the Fourth Industrial Revolution". A better understanding of such topics had also been achieved as a result of the multi-stakeholder forum on science, technology and innovation for the Sustainable Development Goals, leaving societies better equipped to meet the related challenges and opportunities facing them.

27. The general usefulness of the annual reports of the Inter-Agency Task Force was illustrated by their centrality to the work conducted by the Group of Friends of Monterrey at its periodic retreats. The reports should serve to enhance synergies between the Addis Ababa Action Agenda and the 2030 Agenda, thereby leaving no doubt as to their mutually reinforcing nature. With the 2030 deadline fast approaching, the time had come to redouble political efforts to implement both agendas at the national level.

28. **Ms. O'Hehir** (Australia) commended the work of the Inter-Agency Task Force and welcomed the proposed themes of its 2019 and 2020 reports, although she shared the concerns expressed by the representatives of the European Union and the United States of America about the potential for duplication and dilution of work already under way in other forums. The Inter-Agency Task Force should work closely with the Asia-Pacific Capacity Development for Development Effectiveness Facility, a country-led platform that assisted countries to better understand and manage different sources of finance and provided technical support to countries at their request to help develop integrated national financing frameworks. Its success stories in the region should be highlighted in the 2019 report, while future reports might be focused on the gender dimension of financing or on debt sustainability.

29. **Mr. Ogilvy** (Observer for the Organization for Economic Cooperation and Development (OECD)), noting with appreciation the recognition of OECD as a partner on the issue of integrated national financing frameworks for the achievement of the Sustainable Development Goals, said that the OECD Global Outlook on Financing for Development would be published in 2018. It would focus on different types of financing, their interlinkages, the challenges faced by some of the most vulnerable economies and international support for countries in transition. The publication and the continued efforts of OECD in such areas as official development assistance, taxes and green finance should serve as a valuable contribution to the work of the Inter-Agency Task Force. The previous year, OECD ministers had launched a major initiative to enable Governments to better understand the challenges posed by rapid digital transformation and associated policy implications. That work should be useful to the Task Force in the preparation of the 2020 report, given its proposed theme.

30. **Mr. Hanif** (Director, Financing for Sustainable Development Office, Department of Economic and Social Affairs) said that the proposed theme for the 2019 report of the Inter-Agency Task Force was not focused on domestic resource mobilization, but rather on the broader national integration of all chapters of the Addis Ababa Action Agenda, which identified four sources of financing: public, private, international and domestic. The 2019 theme was acknowledged to involve national policymaking for sustainable development to the extent that the integration of the four sources of financing also did. However, the focus of the theme would be refined over time, on the basis of input from stakeholders and Member States.

31. The features of the Fourth Industrial Revolution were evident, notwithstanding the term's lack of a clear definition. An analysis was required to distinguish between the pseudoscience surrounding that concept and substantive data that would impact policymaking. That could be achieved through the consultation of expert groups as proposed by the representative of the European Union. Areas meriting analysis in that regard included the taxation of the digital economy and the potential policy implications of cryptocurrencies and blockchain entering the mainstream.

32. The concerns expressed by the representatives of Australia and the European Union about the proposed themes would be taken into account by the Inter-Agency Task Force in the preparation of its forthcoming reports, as would the suggestion by the representative of Australia to highlight the gender dimension of financing. Indeed, a subgroup within the Task Force was dedicated to ensuring gender mainstreaming throughout the reports. Every effort would be made to issue the next report expeditiously and to deliver regular briefings on the work of the Task Force.

33. **Mr. Torres** (World Trade Organization (WTO)), speaking via audio link, welcomed the proposed themes and highlighted the links between trade and national financing for development. Given that trade had great potential to generate resources to finance the implementation of the 2030 Agenda, it should be integrated into national development strategies, as should sound fiscal policies. With regard to the Aid for Trade initiative, the overall trend in disbursements and commitments remained positive, despite a slight decrease in 2017. Aid for Trade was an important capacity-building tool to help countries enhance their integration into the multilateral trade system and should be increased, including through such efforts as consolidating the operations of the various development agencies and other organizations involved in Aid for Trade and improving the overall business environment at the national level.

34. In respect of trade finance, WTO had been working with multilateral development banks to close the financing gap that had emerged in the wake of the financial crisis. Although support for trade finance had increased, there was still room for improvement, in particular to close the confidence gap, whereby trade finance was sometimes erroneously perceived as a high-risk activity.

35. Efforts were also required to build the capacity of the banking sector to work with trade finance instruments, particularly in developing countries, and to enhance regulatory dialogue. In that connection, WTO

was working with the International Finance Corporation and the Financial Stability Board to better understand the impact of de-risking policies on trade. The proposed theme for the 2020 report of the Inter-Agency Task Force dovetailed with the annual World Trade Report on how digital technologies were transforming global commerce, to be launched at the organization's public forum in October 2018. That research should contribute significantly to the 2020 report of the Inter-Agency Task Force.

*The meeting rose at 11.45 a.m.*